GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4084
ANSWERED ON:18.08.2000
CAG`S OBSERVATION OF THE WORKING OF CENTRAL EXCISE DEPARTMENT
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Comptroller and Auditor General has pointed out in its Report No. 11 of 2000 ending March, 1999 thatthe central excise department did not charge the additional duty of excise from 1984 to 1996 ;

(b) if so, the amount involved in the incorrect availment of exemption of additional duty of excise by the assessees ;

(c) whether the Government have yet to reply to the C&AG observations ;

(d) if so, the reasons for inordinate delay in replying to C&AG`s observations ; and

(e) the corrective measures to be taken in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (V. DHANANJAYA KUMAR)

(a) Yes, Sir, The availment of exemption from additional duty of excise leviable on `input fabrics` used captively for further manufacture of processed fabrics by assessees, has been questioned by Audit and has been pointed out in Audit Para No. 6.2
(i) of the said Report. However, the period involved is from 1994 to 1996 and not from 1984 to 1996. The later appears to be a typographical error in the penultimate para of the aforesaid Audit Para. The correct year (date) has been mentioned in the first sentence of the said Audit Para itself,

(b) The amount of duty involved, covering 7 assessees, as also indicated in the said Report, is Rs. 7.85 crores. The Ministry does not admit these to be cases of incorrect availment of exemption,

(c) The Government has already replied to the observations of the C&AG,

(d) Does not arise in view of reply to (c) above,

(e) Does not arise as the Ministry has not admitted the objection.